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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/902,880

07/10/2001

Kemal Guler

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9181

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HEWLETT-PACKARD COMPANY
Intellectual Property Administration
P.O. Box 272400
Fort Collins, CO 80527-2400

EXAMINER

GARG, YOGESH C

ART UNIT	PAPER NUMBER
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3625

MAIL DATE	DELIVERY MODE
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06/13/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/902,880	Applicant(s) GULER ET AL.	
	Examiner Yogesh C. Garg	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 March 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7,9-15 and 17-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7,9-15,17-23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/8/2007 has been entered.

Response to Amendment

2. Applicant has amended claims 1, 4, 9 and 17. Claims 8, 16 and 24 were previously canceled. Claims 1-7, 9-15, 17-23 are pending.

Replacement sheet 15/15 filed on 3/8/2007 is accepted.

Amendment to Specification filed on 3/8/2007 is not accepted and entered because it does not comply with Patent Rule 1.121 (b) (ii) "Manner of making amendments in applications. The full text of any replacement paragraph with markings to show all the changes relative to the previous version of the paragraph. The text of any added subject matter must be shown by underlining the added text. The text of any deleted matter must be shown by strike-through except that double brackets placed before and after the deleted characters may be used to show deletion of five or fewer consecutive characters. The text of any deleted subject matter must be shown by being placed within double brackets if strikethrough cannot be easily perceived.

Response to Arguments

3. Applicant's arguments, see Remarks pages 18-21, filed 3/8/2007, with respect to rejection of claims 1-7, 9-15, 17-23 under 35 USC 103 (a) have been fully considered and are persuasive. The rejection of claims 1-7, 9-15, 17-23 under 35 USC 103 (a) has been withdrawn.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-7, 9-15 and 17-23 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter in view of the Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (1300 Off Gaz. Pat. Office 142 (Nov. 22, 2005)). The claims are not directed to a practical application of an abstract idea (i.e., that they do not transform physical subject matter to a different state or thing nor produce a useful, concrete, tangible result). The guidelines first require a determination as to whether the claims as a whole are directed to nothing more than abstract ideas, natural phenomena, or laws of nature. If the claims are found to be directed to more than abstract ideas, then the second step set forth in the guidelines is to determine whether the claimed invention is directed to a practical application of an abstract idea, law of nature, or natural phenomenon. The

useful, concrete, and tangible result test set forth in *State Street Bank & Trust Co. v. Signature Finance Group, Inc.*, 149 F.3d 1368, 1373; 47 USPQ2d 1596, 1601 (Fed. Cir. 1998), in the context of a machine implemented process, and would, therefore, apply to the present claims.

Regarding the first step, none of the claims recites a natural phenomena nor a law of nature, so the issue is whether they are directed to an abstract idea. The present claims are machine-implemented. However, the question (even for the claims which recite a computer system, such as claim 9, or a storage medium, such as claim 17) is whether the claims as a whole are nothing more than abstract ideas.

Regarding the second step, the claims involve neither a law of nature nor natural phenomenon, so the issue is whether they are directed to a practical application of an abstract idea. The guidelines indicate that either a transformation of physical subject matter to a different state or thing or the production of a useful, concrete, and tangible result equates to a practical application of an abstract idea. The subject matter transformed may be tangible (matter) or intangible (some form of energy, such as the conversion of electrical signals or the conversion of heat into other forms of energy (thermodynamics)), but it must be physical.

In claim 1, the steps of selecting characteristics of auction, selecting a relevant bidding model for said auction to be conducted, estimating a structure of said auction, predicting a bidding behavior, predicting a first outcome, evaluating said first outcome and evaluating comprises selecting an optimal preference policy are considered abstract ideas. The predicting a first outcome and evaluating said outcome appear to be

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sort of calculations with no specificity as to how the prediction and evaluations are made. The prediction of outcome, evaluation of outcome and selection of a preferential policy are substantially the establishment of a mental state. There is no transformation of physical subject matter to a different state or thing, nor do we find a production of a useful, concrete, and tangible result. Claim 1 merely selects data, manipulates "unobservable variables" data to another form of data, "observable bids," also calculates "a bidding behavior", " a first outcome" and evaluates "first outcome" which is substantially a mental state. Neither step transforms physical subject matter, to a different state or thing. Further, neither result seems to be a concrete and tangible result.

Similarly, in claims 9 and 16, the steps of selecting characteristics of auction, selecting a relevant bidding model for said auction to be conducted, estimating a structure of said auction, predicting a bidding behavior, predicting a first outcome, evaluating said first outcome and evaluating comprises selecting an optimal preference policy are considered abstract ideas. Neither step transforms physical subject matter, to a different state or thing. Further, neither result seems to be a concrete and tangible result.

Since claims 2-7, 10-15 and 18-23 are dependencies of claims 1, 9 and 17 respectively they also inherit the same deficiency.

Therefore, claims 1-7, 9-15, 17-23 appear to be nothing more than abstract ideas, and, therefore, are excluded from patent protection.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 4, 6-7, 12, 14-15, 20, 22-23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 4, 12 and 20 recite the limitation "said bids data". There is insufficient antecedent basis for this limitation in the claim because the independent claims 1, 9 and 17 do not recite the term "bids data".

Claims 6-7, each of which is a dependency of claim 1, recite receiving input data from a second user and third user respectively but claim 1 does not recite receiving input data from first user or second user. Therefore, it is unclear whether in claim 6 there are inputs from first user and if so how they are related with the inputs from second user. Similarly, it is unclear whether in claim 7 there are inputs from first and second users and if so how they are related with the inputs from the third user. Claims 14-15 and 22-23 are rejected based on the same rationale as set forth for claims 6-7.

Conclusion

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Zhang (US Publication 2003/0014346) teaches providing new computerized design tools for introducing new auction designs/methods/systems based on selected

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rules/parameters, enabling extraction of indirectly observable information of bidders related to his preferences and further enabling prediction of revenues and auction outcomes (see at least abstract and paragraphs 0008-0012). Zhang does not disclose evaluating outcome of the auction to be conducted, wherein said evaluating comprises selecting an optimal preference policy from a plurality of candidate preference policies for treating different groups of bidders differently, wherein said optimal preference policy comprises the candidate preference policy within a plurality having the highest ranking; and outputting said optimal preference policy to a participating entity in an auction said outputting performed prior to conducting said auction.

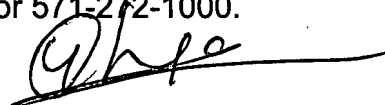
Miyagiwa, Kaz; "Oligopoly and Discriminatory Government Procurement Policy", The American Economic Review. Nashville: Dec 1991. Vol.81, Iss. 5; pg. 1320, 9 pgs and Stevens, Sarah A., Ph.D.; " Preferential procurement in Canada: Economic cost for political benefit?", The Johns Hopkins University, 1988, 323 pages; extracted from Proquest database on Internet on 6/7/2007 disclose Governments giving preferential treatments to domestic over foreign suppliers

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C. Garg whose telephone number is 571-272-6756. The examiner can normally be reached on Increased Flex.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



Yogesh C Garg
Primary Examiner
Art Unit 3625

YCG
6/7/2007